Committee on Government Reform

Additional Minority Views on H.R. 735, the Postal Civil Service Retirement System Funding Reform Act of 2003

March 26, 2003

H.R. 735 has many good features. It strengthens the Postal Service, lowers the Postal Service's debt, and protects postal consumers. H.R. 735 has also been endorsed by a coalition of postal unions and the mailing industry.

The legislation, however, is not perfect. In particular, we do not believe that requiring the Postal Service to pay the pension costs associated with military service is a good idea.

Under current law, Treasury pays the retirement costs related to the military service of employees in CSRS. H.R. 735 shifts the burden of costs related to the military service of postal employees covered by CSRS to the Postal Service. In fact, the bill not only requires the Postal Service to pay military pensions for current and future retirees, but it also makes the Postal Service reimburse Treasury for costs that have already been paid. This shift will require the Postal Service to pay \$27.2 billion more than it otherwise would have to pay. This is unfair to the Postal Service.

During the markup of H.R. 735, Mr. Waxman offered and withdrew an amendment that would have maintained the status quo, leaving the responsibility for paying for military costs with the federal treasury, where they have always been and where they belong. We hope this issue will be addressed before the bill goes to the floor.

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